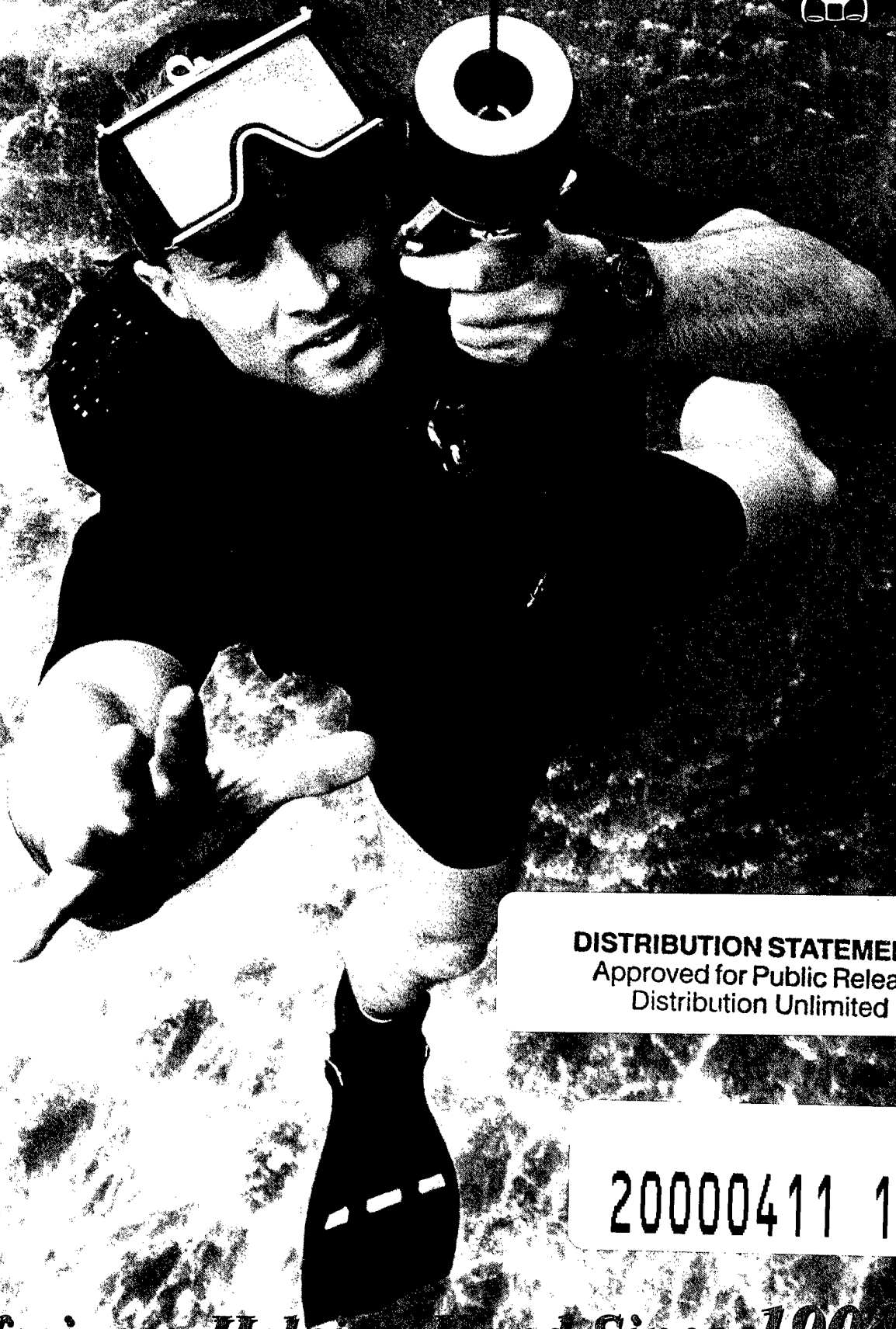


1999 Annual Report

Navy-Marine Corps Relief Society



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Offering a Helping Hand Since 1904

Our Vision:

"We are a private, non-profit, volunteer, service organization. As a Center of Excellence, we are committed to ensure that all available resources are used to assist personnel of the Naval Services -- active, retired, and their eligible family members -- to achieve financial self-sufficiency and find solutions to emergency needs."

ON THE COVER : Pearl Harbor Hawaii – After completing a successful search and rescue (SAR) exercise, Anti-submarine Squadron Eight (HS-8) Aviation Antisubmarine Warfare Operator Third Class (NAC) Bradley Gravitt hoists up to an Antisubmarine Helicopter (SH-60) "Sea Hawk." U.S. Navy photo by PH3 Christopher Hollaway. ***BACK COVER:*** Photographer's Mate Second Class Brian D. Forsmo, USN, proudly embraces his new-born son, Spencer, after the arrival of the aircraft carrier USS JOHN C. STENNIS (CVN-74), at Naval Air Station North Island. The ship returned home after a six-month deployment to the Persian Gulf in support of Operation Southern Watch. U.S. Navy photo by PH2 Gloria J. Barry.

Foreword

Founded in 1904, the Navy-Marine Corps Relief Society is incorporated in the District of Columbia with its corporate headquarters located in Arlington, Virginia. The Society is managed by a Board of Directors comprising elected and ex officio members representing the active duty and retired communities of the United States Navy and Marine Corps.

The mission of the Navy-Marine Corps Relief Society is to provide, in partnership with the Navy and Marine Corps, financial, educational, and other assistance to members of the Naval Services of the United States, eligible family members, and survivors when in need; and to receive and manage funds to administer these programs.

The Society accomplishes this mission principally through the disbursement of interest-free loans and grants, but it also provides visiting nurse services, budget counseling services, and infant layettes, and administers food lockers and thrift shops. The Society also provides scholarships and interest-free loans for educational purposes through its education programs. Sponsored by the Department of the Navy, the Society operates more than 250 offices ashore and afloat at Navy and Marine Corps bases throughout the world.

More than 3,000 trained Volunteers, both ashore and aboard ships, accomplish the major portion of the Society's work. They are supported by a small cadre of employees. The Society enjoys an active partnership with the Navy and Marine Corps and benefits extensively from the active involvement of the command structure at the bases where the Society maintains a presence. The commanders themselves, as well the senior enlisted leadership, chaplains, and family service center personnel, play an important role in the conduct of the Society's business.

Although sponsored by the Department of the Navy, the Navy-Marine Corps Relief Society receives no funding from the government. The work of the Society is supported by an annual fund drive conducted by the Navy and Marine Corps under the auspices of the Secretary of the Navy. The Society facilitates the Secretary of the Navy's fund drive of the Navy and Marine Corps retired community through a direct mail campaign. Overhead expenses are covered by proceeds from the Reserve Fund established during World War II.

Contributions to the Society are deductible under Section 170(b)(1)(a) of the IRS Code. The Society is exempt from Federal income tax under Section 501(c)(3) of the Code.

Greetings from the Secretary of the Navy



***“Responding to crises
that occur in peoples’
lives, the thousands of
dedicated volunteers of
Navy-Marine Corps
Relief have helped
Sailors and Marines
help themselves for over
96 years.”***



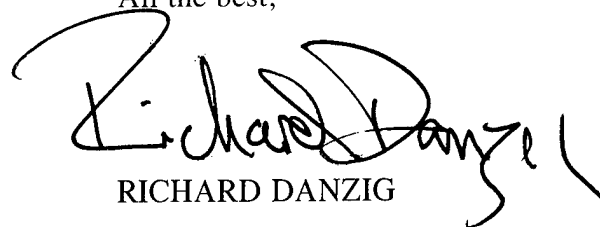
In this millennial year, it is natural to reflect on the institutions of the Navy and Marine Corps, and what they have provided for our Nation and the world. From combat operations to disaster relief; from peacekeeping to humanitarian operations; our Sailors and Marines have always been there for America.

The same can be said of another cherished institution, the Navy-Marine Corps Relief Society. Responding to crises that occur in peoples' lives, the thousands of dedicated volunteers of Navy-Marine Corps Relief have helped Sailors and Marines help themselves for over 96 years. That has helped us in countless ways to improve the manner in which we live, work, and fight.

The Society helps in so many critical ways, from emergency financial services, to personal budget counseling. I applaud, especially, the Society's enhanced efforts in the areas of financial education and awareness, which are already having great impact for teaching personal financial management.

Since 1904, the Navy and Marine Corps Relief Society has always been there for America's Sailors and Marines. For that, I am grateful, and I salute your continuing partnership with the Navy and Marine Corps.

All the best,


RICHARD DANZIG

A Message from the Chief of Naval Operations



For 96 years The Navy-Marine Corps Relief Society has been aiding Sailors, Marines and their families in difficult times. Through loans, grants, and educational scholarships, the Society provides a necessary lifeline, making an important difference in our servicemembers' quality of life.

The men and women of the sea services continue to deploy at an historically high tempo. From enforcing United Nations sanctions on Iraq in the Arabian Gulf, to counter-drug operations in the Gulf of Mexico, the United States Navy and Marine Corps continue to operate at the "tip of the spear" in support of the nation's vital interests.

The efforts of the Navy-Marine Corps Relief Society are a large part of why our Sailors and Marines have been able to answer America's call again and again. Knowing the Society is ready to help should the need arise means they can deploy with the knowledge that their families are secure while they are away.

On behalf of the U.S. Navy, I salute you and thank you for all you do for the Navy and Marine Corps Family.

Sincerely,

A handwritten signature in black ink.

JAY L. JOHNSON
Admiral, U.S. Navy



"The efforts of the Navy-Marine Corps Relief Society are a large part of why our Sailors and Marines have been able to answer America's call again and again."

A Message from the Commandant of the Marine Corps



“Devoted to helping accomplish the Marine Corps mission, the Society works selflessly to provide the quality of life our individual Marines and Sailors deserve.”

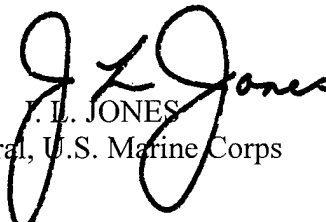


It is truly gratifying to know that organizations such as the Navy-Marine Corps Relief Society stand ready to support our Marines and Sailors. From 300 offices worldwide, both ashore and afloat, the Society and its members give of themselves to help others, an endeavor which has no equal.

The Marine Corps will never forget the “safety net” the Navy-Marine Corps Relief Society provided to those experiencing troubled times during 1999. Since its conception in 1904, the Society has faithfully served to assist all members of the Naval Services and their families in time of need. From counseling and education services to emergency loans and grants, the Society has become an integral part of the Marine Corps support network.

I strongly support the goals of the Navy-Marine Corps Relief Society. Devoted to helping accomplish the Marine Corps mission, the Society works selflessly to provide the quality of life our individual Marines and Sailors deserve.

Semper Fidelis,

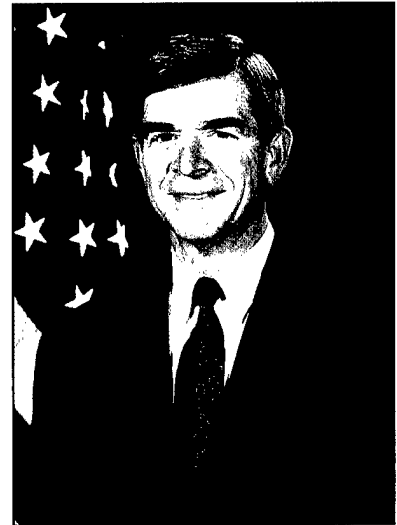

J. L. JONES
General, U.S. Marine Corps

President's Report

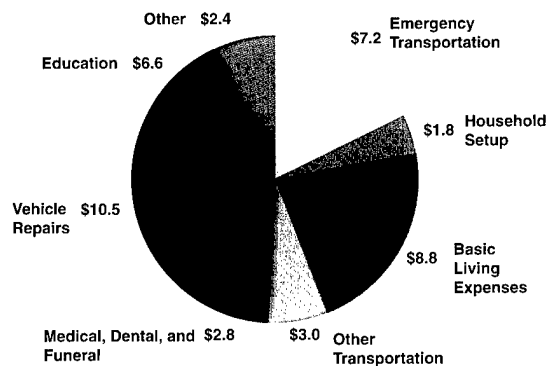
The Navy-Marine Corps Relief Society has been offering a helping hand to Sailors, Marines, and their families since 1904. During those 96 years, our dedicated Volunteers and employees have responded to more than seven million cases of individual financial difficulty. Whether they were widows, orphans, active duty or retired servicemembers, spouses, or eligible children, these people had something in common – they needed help, and they turned to the Society for assistance. Since our founding, we've disbursed \$879 million in the form of interest-free loans and grants. This legacy of service is something that should fill us with pride, and the Society is a resource upon which our Navy and Marine Corps families can rely in the new millennium.

Direct Financial Assistance

During the past year, Team NMCRS continued to respond enthusiastically and responsively to the distress signals of those in need. At 256 sites around the world, our 3,000 Volunteers and 261 employees provided customers with \$43.1 million, of which \$36.5 million were provided for emergency aid and \$6.6 million for educational assistance. About 79% of the total, or \$34.1 million, was in the form of interest-free loans. Grants totaled \$9.0 million. Total financial assistance decreased by \$200 thousand from the \$43.3 million provided in 1998 as the Society's total caseload declined by 6,136 cases. The chart below shows the major categories of assistance rendered during 1999:



\$43.1M Financial Assistance in 1999
(\$ Millions)



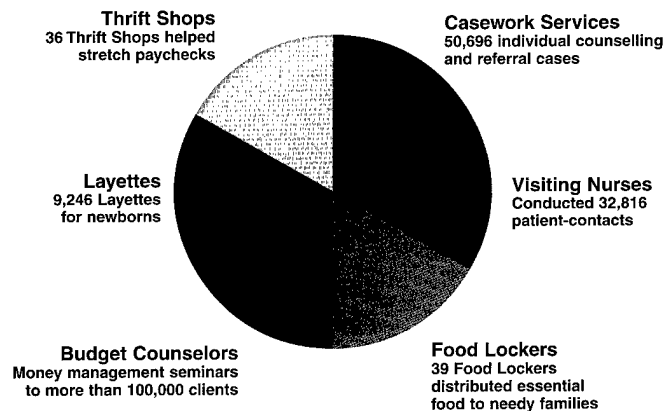
*“...the principal reason
our customers needed
help continued to be
unforeseen
emergencies.”*

Basic living expenses, vehicle repairs, and emergency travel continued to be the largest categories of emergency assistance; collectively they accounted for \$26.5 million, or 61 % of the total assistance provided during the past year. Likewise, the principal reason our customers needed help continued to be unforeseen emergencies. The second biggest reason was mismanagement, i.e., spending money on “wants” before taking care of “needs.”

Non-Financial Assistance

In addition to responding to clients’ emergency financial needs, the Navy-Marine Corps Relief Society offers a variety of programs and services that solve problems without providing a loan or grant.

Programs & Services Non-Financial Assistance Provided in 1999



Support for Continuing Education

The Society remains committed to helping service families realize their goals of pursuing college-level education. Fortunately, the unprecedented return on our Reserve Fund investments over the past few years has allowed the Society to increase education assistance programs in response to an increasing number of qualified applicants. This year, we provided \$6.6 million dollars in assistance involving 4,990 cases – an increase of \$1.6 million and 509 cases. These statistics reflect:

- a dramatic increase in participation by Navy and Marine Corps spouses

- a significant increase in the Admiral Boorda Seaman-to-Admiral Program
- a substantive increase in participation by dependent children of retirees

I'm pleased to report that 80% of the Society's grants for education were disbursed to enlisted servicemembers and their families. As a reminder, all funds used to support our education programs come from the return on the Society's investments.

Improving Society Training

One of the Society's seven strategic goals, developed in 1995, is *"To create a comprehensive training program for the Society."* We reached a milestone in accomplishing that goal in 1999 when we launched four new training curricula in the areas of Orientation, Receptionist, Caseworker, and Volunteer Management. Each of these curricula was developed based on data collected from the Society's offices in the field. Training materials are user friendly, attractive, well organized, and ready for use. Distributed on CD-ROM, the training materials can be reproduced locally. The end result will be a better-trained staff who will deliver even better service to our customers.

All Executive Directors and Chairmen of Volunteers from the field and the Officers and Division Directors from Headquarters attended an International Conference last September. Dubbed, *"Just in Time in '99,"* the week-long conference was an investment in the future of our organization. It afforded an opportunity to make new friends, renew friendships, share ideas, network, learn new techniques from dozens of practical workshops, and conduct a detailed discussion on how the Society should be structured in the new millennium. We came away from the conference convinced that a new organization to streamline our business processes is the correct course of action.

***"Without our
Volunteers' sacrifice
and commitment to
excellence, our vision
would remain an idle
dream."***

Recognizing Our Volunteers

Each year in April, coincident to National Volunteer Recognition Week, the Society takes the opportunity to compliment and to thank the more than 3,000 Volunteers for their enthusiastic, compassionate, and unwavering support of our organization. For the past 1,155 months, Society Volunteers have given freely of their time and talent in responding to the needs of

our shipmates and their families. Their total involvement in every aspect of Society operations makes it possible for us to accomplish our mission. Without our Volunteers' sacrifice and commitment to excellence, our vision would remain an idle dream.

Improving Society Services and Field Support

The Society constantly strives to improve its business practices and processes with an eye to ensuring our clients receive the best service and support possible. During the past year we completed a number of projects with that philosophy in mind:

- Streamlined "after-hours" support procedures used by the American Red Cross on behalf of our customers
- Implemented automated budget and Financial Assistance Authorization and Receipt Forms
- Published revised casework, loan management, and accounting procedures
- Expanded the field audit program
- Upgraded computer hardware and software throughout the organization

Promoting a Strong Partnership

We have consistently enjoyed a strong, mutually supportive relationship with the senior leadership of the Navy and Marine Corps. During this past year, we had the opportunity to strengthen that partnership in a variety of ways.

- In October 1999, Navy commands throughout the Jacksonville, Florida, area had an opportunity to attend a seminar on Personal Financial Management. Sponsored by the Navy-Marine Corps Relief Society and the USO, this two-day seminar focused attention on credit card debt, bounced checks, pay garnishments, bankruptcies, and high-interest title and payday loans.
- After handling an unusually large number of requests for grants and loans from Navy personnel experiencing difficulties with their pay, Society representatives were asked by the Navy Comptroller to participate in a series of Town Hall Meetings in fleet concentration areas. These meetings were designed to acknowledge persistent problems with the Defense Joint Military Pay



Participants in Jacksonville's Financial Fitness Seminar learn about military pay, allowances, benefits, and financial traps.

System (DJMS) and reassure servicemembers that the Navy is taking bold and tangible steps to address, manage, coordinate, and implement solutions. A Command Master Chief in Norfolk praised the Society when she said, "Thank God for the Navy-Marine Corps Relief Society. They saved our bacon time and time again."

- The Society worked closely with the Bureau of Naval Personnel and the Chief of Naval Education and Training in developing an effective General Military Training (GMT) package on Personal Financial Management for use at the individual command and unit level, extending from basic training to "A" schools and beyond.
- Drawing on the Society's broad experience and expertise in assisting Navy and Marine Corps personnel who face financial difficulties and hardships, the Department of Defense Quality of Life Executive Committee asked us to brief their members and help them identify ways to improve the financial stability of junior enlisted personnel and their families. We are continuing to meet with the committee and the Defense Credit Union Council to help identify the extent of the problem and find appropriate solutions.

"Thank God for the Navy-Marine Corps Relief Society. They saved our bacon time and time again."

Supporting the Society

Financial support for our organization remains solid. Active duty and retired Sailors and Marines were generous in contributing \$10 million to the Society during 1999. With increasing frequency, the Society also benefits from estate giving. Finally, the Finance Committee continues to excel in protecting the Society's investments, and in 1999, was responsible for significant investment growth for our organization's financial assets. On the following pages look for profiles on several financial supporters who deserve specific, expanded recognition

Looking to the Future

A combination of Base Realignment and Closure (BRAC) actions, Executive Director retirements, adjustments related to regionalization of the Navy and Marine Corps, and requirements


of the Department of Defense Joint Ethics Regulations resulted in a number of changes within the Society during 1999. Several field activities were realigned and consolidated in order to streamline processes and emphasize service to our clients. Auxiliary Presidents became Honorary Chairmen of local Advisory Boards, and, at Headquarters, new Society Bylaws were adopted and our Board of Managers was reconstituted as the Board of Directors.

Additional changes are on the horizon. Through advances in technology, we can look forward to the day when all of the information currently residing in databases at Headquarters will be instantly retrievable at every Society office around the world. Complete case histories on past clients will be accessible with a computer keystroke. The organization will be flat -- not layered. And the end result will be thoughtful, informed decision-making at the local level, with faster and improved service to the Sailors, Marines, and their families who think of us as their first resource when they need assistance.

***"Our continued success
is the result of
unparalleled dedication,
hard work, and
teamwork."***

We approach the new millennium with confidence and excitement, knowing that we are financially sound and are well positioned to meet the emergency financial needs of our Sailors, Marines, and their families in the months and years ahead. We're anxious to continue exploring ways to improve our services and to strengthen our partnership with the Navy and Marine Corps leadership. We remain committed to providing effective, enthusiastic, and timely responses to the needs of the Navy-Marine Corps community, while remaining good stewards of the funds entrusted to us. Our continued success is the result of unparalleled dedication, hard work, and teamwork. Every member of Team NMCRS -- paid employee and Volunteer, at Headquarters and around the world, and every individual and corporate contributor, can be justifiably proud of the Society's collective accomplishments in 1999. To each and every one of you I extend my grateful appreciation. Let us be ever mindful, however, of our motto from the 1999 International Conference, **"Team NMCRS: We're not done yet!"**

All the best,


J. L. JOHNSON
President

1999 At a Glance

Worldwide Coverage, Professional Staff

33	Auxiliaries	261	Employees
42	Branches	2500	Volunteers (ashore)
40	Offices (ashore)	500	Volunteers (shipboard)
141	Offices (shipboard)		

Financial Assistance of \$43.1 Million Involving 57,854 Cases

Emergency Aid (\$36.5 million)

- \$32.9M interest-free loans
- \$3.6M grants
- 52,864 cases

Food & shelter; vehicle repairs;
household set-up; medical and
dental; funeral; emergency
transportation; miscellaneous

Education Program (\$6.6 million)

- \$1.2M interest-free loans
- \$5.4M scholarships/grants
- 4,990 cases

Scholarships & loans: children of active,
retired, and deceased servicemembers;
spouses of active duty; enlisted in-service
college programs

Other Forms of Assistance

- **Layettes:** "Junior seabags" furnished to 9,246 new family members
- **Visiting Nurses:** Visiting Nurses made 32,816 patient-contacts
- **Budget Counselors:** Money management seminars provided to 100,000 servicemembers
- **Thrift Shops:** 36 "boutiques" provided a source for low-cost clothing and household items
- **Casework Services:** 50,696 individual counseling and referral cases

Source of Funds

- **Contributions:** Annual fund drives, bequests, and memorials
- **Largest Single Contribution:** Annual Navy-Marine Corps Ball in Washington, D.C.
- **Largest Source of Funds:** Client repayment of interest-free loans
- **Other Sources:** Investments and receipts from Thrift Shops

No funding provided by the government

Society's Work Elicits Favorable Responses

Navy – Society Teamwork Delivers Wheelchair Across the Ocean

The Whidbey Island and Hawaii Auxiliaries teamed up with the active duty and retired Navy community to assist a Navy widow. The challenge: Deliver an electric wheelchair from Hawaii to a widow residing on an island in Puget Sound, Washington, without any cash outlay.

It started with an American Red Cross worker's telephone call to the Whidbey Island Auxiliary, explaining the plight of Mary Otazenski who had recently been medevaced from Honolulu to her daughter's home in Fire Harbor, Washington, but minus her wheelchair. The Society accepted the challenge, enlisting the cooperation of the Hawaii Auxiliary staff in locating the missing wheelchair. After finding and gaining custody of the chair, the Society contacted NAS Whidbey Island's Patrol Wing Ten, Patrol Squadron 46, and MCAS Kaneohe's Patrol Squadron Nine which enthusiastically agreed to transport the chair across the Pacific Ocean. The final leg of the journey was arranged by a retired Navy commander who just happened to have a friend who worked on the Washington State ferry with routine stops at Friday Harbor. The end result: One very happy and grateful lady reunited with her special chair, and a number of satisfied people who illustrate what can be accomplished by a team of individuals who share a common positive, "can do" attitude.

Assistance Long Remembered

The Society receives a large volume of correspondence from grateful clients and contributors who were once helped when they came to us for assistance. The following letter illustrates just how long people remember the helping hand they once received.

"Dear Sir:

Many years ago, in 1948, I needed help in securing a deposit for quarters at Camp Lejeune, North Carolina. As to be expected, the American Red Cross was of no help whatsoever. Navy Relief, with no questions asked, supplied me with the wherewithal to make a deposit so my wife and I could live on the base.

Therefore, the recent news stories of the horrible flood conditions in eastern North Carolina have made me think of the probably hundreds of men and women now in deep trouble, many of whom must be Marines trying to survive under almost unimaginable conditions. I am sure, therefore, that you will be able to put this small contribution of mine to good use. I remain,

Ex-Sergeant John E. Lane, USMC"

Budget for Baby Class and Layette Program Well Received

A young couple who attended the Society's Budget for Baby class in Puget Sound took the time to express the sentiment shared by young couples across the Society who appreciate not only the classroom instruction, but the commitment of our "layette ladies" who hand-knit and crochet items for our junior seabags.

"We have just picked up our 'Baby's First Seabag' and would like to express how delighted we are with it. The contents are most useful and greatly appreciated. Please, could you pass on our thanks and appreciation to the volunteer women who do such incredible and valuable work – our quilt is beautiful. We are now awaiting the day when we can use everything – which should be in about five weeks. We cannot wait! Thank you for adding to the excitement of our first baby. The Budget for Baby Class was very useful.

*With many thanks,
Mandy & Robert Kerchner"*

Continental Chairman Remembers His Roots

Five days after his 17th birthday Gordon Bethune joined the Navy. Following Boot Camp, he became an Aviation Fire Control Technician. In less than eight years he was promoted to Chief Petty Officer, and two years later he was advanced to Warrant Officer WO-1 (Avionics). Before he retired with 20 years of service, Gordon attained the rank of Lieutenant. While on active duty, Gordon got his general equivalency degree (GED), but *"I didn't want an equivalent of anything; I wanted that degree,"* so he went to school at night and got his diploma from Key West High School. He took a few community college courses before leaving the Navy, then enrolled in Texas A&M, intent on practicing law in Texas. Just a year later, a phone call from Braniff Airlines brought him back to airplanes and further postponed his formal education. He never looked back.

For two years in succession, Gordon sent the Society a \$10,000 contribution. In 1999, he sent us a letter announcing his commitment to donate \$50,000 in 15 monthly installments. Accompanying each check was a letter that read in part, *"I am pleased to be able to assist you for the work you do for us all."* Gordon Bethune is the Chairman and Chief Executive Officer of Continental Airlines. Somehow he found the time to gain a Bachelor of Science degree from Abilene Christian University in Dallas, and to graduate from Harvard Business School's Advanced Management Program.

"Big John" Rescues Tugboat Crew

When Navy Captain Mike Miller, Commanding Officer of USS JOHN F. KENNEDY (CV 67) sortied from Naval Station Norfolk last September, his purpose was to minimize damage resulting from a category Five storm – Hurricane Floyd. However, he received a maritime distress signal from a tugboat, the M/V GULF MAJESTY, that made Captain Miller turn his ship directly into the eye of the storm. Combating 140-knot winds and six-story swells, the aircraft carrier arrived at the site where the tugboat had sunk about eighteen hours earlier. Miraculously, the wind had abated to just 70 knots, allowing the captain to launch two helicopters from Helicopter Squadron Eleven to rescue the tug's eight crewmen – three from a lifeboat and eight from an un-powered barge that was being towed by the lifeboat. The rescue was a total success.

Just three weeks later, the Society received a letter of appreciation from Mr. William O'Malley, Chairman, President, and Chief Executive Officer of Tidewater, Inc., the company that owned the sunken tugboat. Accompanying the letter was a \$10,000 donation in recognition of and thanks for *"the efforts of the crew of the JOHN F. KENNEDY in rescuing our seamen from the waters of the Atlantic Ocean, after the sinking of the M/V GULF MAJESTY."* In his reply to the Society's letter alerting him of Mr. O'Malley's generous gift, Captain Miller wrote, *"Even though 'Big John' is deployed, Navy Relief back home continues to do a spectacular job helping us take care of our Sailors and their families. It is truly fitting that Tidewater Inc. recognizes the only agency whose sole purpose is the welfare of our Navy servicemembers. Thanks to you and your organization, wonderful things are happening for our Sailors [and Marines] every day"*



The anecdotal articles on these pages reflect the camaraderie that is indigenous to the Navy-Marine Corps Relief Society Family. Whether active duty or retired, Sailor or Marine, corporate or private supporter, or Society Volunteer or employee, these family members share an unselfish interest in helping others. With such thoughtful and generous contributors of time and financial resources, we will always be ready to lend a helping hand to our shipmates in time of need.

NMCRS Assistance Available Around the World

Camp Lejeune Auxiliary	Hampton Roads Auxiliary	Mississippi Auxiliary
Cherry Point Branch	Dam Neck Office	Meridian Branch
New River Branch	Little Creek Branch	Mid-South Branch
Camp Pendleton Auxiliary	Northwest Office	New Orleans Branch
Barstow Branch	Oceana Branch	Pascagoula Branch
Bridgeport Office	Portsmouth Branch	Naples Auxiliary
China Lake Branch	Shipboard Branch	Gaeta Branch
Port Hueneme Branch	Yorktown Office	La Maddalena Branch
Point Mugu Branch	Hawaii Auxiliary	Okinawa Auxiliary
San Onofre Branch	Barking Sands Office	Camp Hansen Office
Twentynine Palms Branch	Kaneohe Branch	Camp Kinser Office
Connecticut Auxiliary	Jacksonville Auxiliary	Parris Island Auxiliary
Ballston Spa Office	Guantanamo Bay Office	Beaufort Branch
Brunswick Branch	Key West Branch	Pensacola Auxiliary
Cutler Office	Japan Auxiliary	Corry Station Office
Newburgh Office	Atsugi Branch	Panama City Office
New Hampshire Office	Chinhae Office	Whiting Field Office
Rhode Island Branch	Hong Kong Office	Puerto Rico Auxiliary
Saratoga Springs Office	Iwakuni Branch	Sabana Seca Office
Winter Harbor Office	Misawa Office	Puget Sound Auxiliary
Willow Grove Branch	Sasebo Branch	Bangor Branch
District of Columbia Auxiliary	Singapore Office	Quantico Auxiliary
Bethesda Branch	Lemoore Auxiliary	The Basic School Office
Dahlgren Branch	Fallon Branch	San Diego Auxiliary
Earle Branch	Monterey Branch	MCRD Branch
Fort Meade Office	London Auxiliary	North Island Branch
Henderson Hall Branch	Bad Aibling Office	Sigonella Auxiliary
Indian Head Office	Digby Office	Bahrain Office
Lakehurst Office	Iceland Office	Souda Bay Office
Naval Academy Branch	Lisbon Office	Spain Auxiliary
Patuxent River Branch	Menwith Hill Office	Texas Auxiliary
Sugar Grove Office	Mildenhall Office	Fort Worth Branch
Wallops Island Office	St Mawgan Office	Ingleside Branch
Everett Auxiliary	Stuttgart Office	Kingsville Branch
Georgia Auxiliary	Marianas Auxiliary	Whidbey Island Auxiliary
Albany Branch	NCTAMS Office	
Athens Office	Mayport Auxiliary	
Atlanta Branch	Miramar Auxiliary	
NWS Charleston Branch	El Centro Branch	
Great Lakes Auxiliary	Yuma Branch	

Contributions 1999

Active duty and retired Sailors and Marines again responded to the Annual Call for Contributions issued by the Secretary of the Navy. Contributions totaled more than \$10 million, including \$180,000 in corporate donations raised by the Navy-Marine Corps Ball Committee, even though there was no ball in 1999. The Society gratefully acknowledges the tremendous efforts of each individual involved in organizing and conducting these fund drives. The volume of contributions demonstrates continued support of the Society's programs, and the Board of Directors expresses its sincere gratitude to all contributors.

Listing of Receipts from Estates, Trusts, and Foundations

Roland Bellemare Estate
Rose & Henry J. Deeks Charitable Trust
Virginia S. Doolittle Living Trust
George V. Dyroff Estate
Dorothy C. Egner Estate
Captain Celine A. Finn, USN, (Ret.)

Robert & Virginia Heinlein Trust
Julian Roy Klein Revocable Trust
Dorothea M. Lind Trust
George P. Lumsden Trust
Mr. L. Keith Nieman Estate

Donald M. Nosek Trust
Edith Osborne Trust
Patterson Family Foundation
Morton A. Prager Estate
Joseph and Rosalyn Sinclair Foundation

Corporate Contributors of at Least \$1,000

AFCEA Educational Foundation
Alliance Capital Management LP
American Women's Welfare Assn.
Analysis & Technology, Inc.
ARINC, Inc.
ASB Capital Management, Inc.
Avondale Industries, Litton
Bestfoods
The Boeing Company
Booz, Allen & Hamilton
Breezy Point Triathlon LTD.
Carswell Field Thrift Shop
Catholic Communities, Camp Pendleton
Catholic Communities, Coronado
Catholic Communities, Rota
C.E.S. Foundation, Inc.
Chapel of Hope Religious Offering Fund
Chubb Group of Insurance Companies
CITGO Petroleum Organization
Clarke American
Classic Foundation, Inc.
Coca Cola USA Operations
Columbia Partners, LLPC
Consolidated Chapel Fund, Mayport
Corpus Christi Religious Offering Fund
Corpus Christi Roadrunners, Inc.
Cubic Defense Systems, Inc.
DRS Technologies, Inc.
Fellows Foundation
First Citizens Bank
Frito-Lay, Inc.
General Electric Company
Golden Valley/Act II Popcorn
Great Lakes Religious Offering Fund
GTE Corporation
Guam Council, NLUS
Hersheys Chocolate USA
Honolulu Council, NLUS

The Howard Foundation
Ingalls Shipbuilding
Inland Empire Regional
Invesco Global Asset Management Inc.
C. Lloyd Johnson, Co., Inc.
Mrs. Jean Knapp's Pottery Sale
Lady's Island Country Club
Lemoore Religious Offering Fund
Litton Industries, Inc.
Lockheed Martin Corporation
Loomis-Sayles & Company, LP
Lowe, Brockenbrough & Co., Inc.
Lucent Technologies
Marconi North America
Marine Barracks Assn.
Marine Corps Base Chapel, Quantico
Marine TR Supply Group
Memorial Chapel, MCAS Cherry Point
Marianas Invitational Tournament
M&M/Johnson Kealy
MWR, NAB Little Creek
MWR, Naval Station San Diego
NAB Little Creek Chapel
National Capital Council, NLUS
National Defense Industrial Assn.
Patuxent River Religious Offering Fund
Naval Academy Women's Club
Scholarship Fund
Naval Officers' Spouses' Club of San Diego
Naval Officers' Wives' Club of Washington, D.C.
Naval Station Norfolk Chapel
Navy Exchange Service Command
Navy Federal Credit Union
Navy Mutual Aid Association
Nestles
Newport News Shipbuilding

Oilfield Chili Appreciation Society, Inc.
Orchard Foods
Our Lady of Loreto Catholic Community
Paramount's Kings Dominion
Patuxent River Council, NL US
Pearl Harbor Performing Arts Assn.
The Plantation at Potne Vedra
Presearch, Incorporated
PricewaterhouseCoopers LLP
Quaker Oats/Gatorade
Rolls Royce, Inc.
Roosevelt Roads Naval Hospital
Goldleaf Club
SACLANT Officers' Wives' Club
Salus Capital Management, Inc.
SAIC
Society of Sponsors of the U.S. Navy
Standish, Ayer & Wood, Inc.
Strong Capital Management, Inc.
Submarine Base Officers Spouse Assn.
Surface Navy Assn., Newport, RI Chapter
Taylor International, Inc.
Textron Marine & Land Systems
Tidewater, Inc.
TRW
Turner Investment Partners, Inc.
United Hispanic Association.
USS ELIZABETH C. STANTON
Reunion Association
USS FDR (CV-42) Reunion
USS MADDOX Destroyer Assn.
VFA 195
Virginia-Carolina Peanut Promotion
George Weiss Associates, Inc.
Western Association of Food Chains, Inc.
Women's Auxiliary of the Commissioned Officers Mess

Individual Contributors of at Least \$1,000

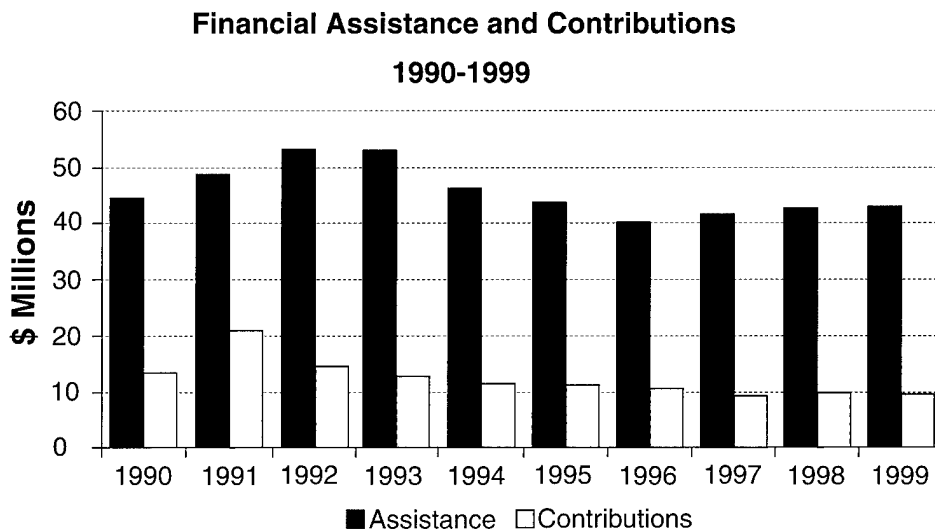
Captain Merrill C. Albury, USN, (Ret.)
A. V. and Margaret S. Andrzejewski
LT Gordon M. Bethune, USN, (Ret.)
Captain Clifford W. Boggs, USN, (Ret.)
Captain Frank L. Boushee, USN (Ret.)
Commander Kevin J. Burke, USN, (Ret.)
LCDR Claudia S. Butler, USN, (Ret.)
Michael & Susan Cirillo
MGySgt J. Cunningham, USMC, (Ret.)
Charles A. Heimbold, Jr.
LCDR Richard M. Hendrix, USN, (Ret.)

Shirley Howard
Mr. Theophilus W. A. Keller
Captain Harry W. Konkel, USN (Ret.)
David and Carol Lausman
Col James M. Leavis, USMC (Ret.)
Commodore Thomas J. Lupo, USN (Ret.)
LtCol Edward F. McCann, USMC (Ret.)
Roberta McCain
Chief Bryant R. Miller, USN (Ret.)
Dr. & Mrs. John C. Montgomery
Admiral Horacio Rivero, USN, (Ret.)

Mr. Joseph Rogers
Mr. & Mrs. Arthur Schneider
VAdm George R. Sterner, USN, (Ret.)
LCDR Robert D. Thorp, USN (Ret.)
CDR Francis VanSlyke, USN, (Ret.)
LtCol George F. Warren, USMC (Ret.)
Chief John T. Wilson, USN, (Ret.)
Rhea J. Wren
1st Sgt R. A. Yarumian, USMC (Ret.)

A Comparison of Financial Assistance to Contributions

The chart below provides a contrasting picture of need-based financial assistance by the Society to its clients over the 10-year period from 1990 through 1999, and the amount of contributions received by the Society over that same time period. Other than the significant increase during the Gulf War, contributions have remained relatively steady. During this period, the Society provided an average of \$46.1 million annually in financial assistance to clients in the form of interest-free loans and grants, while charitable contributions to the Society averaged \$12.5 million per year.



The Society's level of assistance peaked in the early 1990's as a result of the extraordinary number of requests and hardships associated with Operations Desert Shield and Desert Storm. The general decline in assistance from 1993 through 1996 paralleled the downsizing of the Navy. The gradual increase in overall assistance in the most recent years reflects the Society's emphasis on providing need-based educational assistance to help servicemembers, their spouses, and eligible children pursue their academic goals. This increased assistance was made possible because of the excellent return the Society received on its investments. *As the chart illustrates, financial assistance provided to our clients over the period exceeded contributions by a factor of four.*

Report of the Relief Committee

The volunteer members of the Relief Committee are pleased to continue the mission of the 19 founders of the Society, serving at Headquarters as Volunteers who review recommendations for "the relief of dependent widows and orphans of officers and enlisted men of the Navy." The Relief Committee of 1999 was comprised of the Society President and 10 ex-officio or elected spouses of senior officers and enlisted personnel of the Navy and Marine Corps. They also served as members of the Society's Board of Managers.

Relief Committee members serving during 1999 are: Sue Dake, Connie Clark, Sharon Herdt, June Ayres, Barbara Williams, Pam Rempt, Barbara Holderby, Marge Hernandez, Mary Fry, and Cindy Steele.

"The Relief Committee is delighted to join with all the Society's Volunteers in 'offering a helping hand' to Sailors and Marines and their families."

Five members of the Relief Committee, and one alternate, staff the Relief Desk in the Casework Division at Headquarters on a rotating basis. These volunteers review recommendations for supplements to widows as well as complicated medical, dental, or vehicle repair cases. Every case brought to the Relief Committee is a result of extensive research from the Auxiliaries and recommendations of Headquarters caseworkers. Each decision requires the agreement of three members of the Committee.

Members of the Relief Committee also serve as liaison between Headquarters and the Chairmen of Volunteers and Honorary Chairmen of Volunteers at the Auxiliaries, providing encouragement and counsel via phone, email, and letter. The Committee meets monthly to stay current on policy, training, technology, and other relevant Society issues. They are often asked to serve on selection boards and to speak at Professional Development days at many Auxiliaries.

The Relief Committee is delighted to join with all the Society's Volunteers in "offering a helping hand" to Sailors and Marines and their families.



PAMELA R. REMPT
Chairman, Relief Committee

Volunteer Awards

Meritorious Service and Superior Performance Awards are presented to Volunteers in recognition of outstanding service and unusual achievement. The following outstanding Volunteers were honored for their exceptional contributions and performance during 1999:

Meritorious Service Award Recipients

Jacqueline P. Bohnker, Guantanamo Bay
Charla Console, Miramar
Carol Cousins, Meridian
Kay Dennison, Camp Lejeune
Kimberlee Flanagan, Spain
RP1 (SW) Willard G. Foster USN,
USS MOUNT WHITNEY (LCC 20)
Diana Frantz, Camp Hansen
Ann Freund, Quantico
Marilyn Hamblin, Yorktown
Shirlyne Heard, Albany
Deborah Hicks, Whidbey Island
Kim Huckabone, Quantico
Deborah L. Hughes, District of Columbia
Lynne M. Jackson, Everett
C. E. "Kris" Krischano, Everett

Nina Lohr-Valdez, Pensacola
Marge McLaughlin, Little Creek
Nancy Newkirk, Gulfport
Celestine O'Grady, Mayport
Yvonne S. Potts, Great Lakes
Pat Sauer, Oceana
Tracy Spence, La Maddalena
Lori Stearns, Puget Sound
RPC (SW/AW) Alonzo A. Velasco, USN,
Bangor
Richard Waring, Portsmouth
Sherrill Weber, Earle
Deborah A. Whittle, Fallon
Jodi Ziemer, Hampton Roads

Superior Performance Award Recipients

Cindy Barrington, Iwakuni
YNC (SW) Ray Benya, USN, New Orleans
Sally Bernas, Misawa
Sherry Bogar, Meridian
Sherri Collier, Willow Grove
Thomas Devon, Lakehurst
Irene Dirksen, Great Lakes
Karen Dobson, Quantico
Barbara A. Doss, Everett
Mary Jo Dufort, Connecticut
Elizabeth Gee, Sasebo
Beverly Groseclose, Camp Lejeune
Carol Hayward, Japan
Clarita Heater, Okinawa
RP1 Jimmy L. Hill, USN, Meridian
Lisa Ten Kley, New River
Neil Lathrop, Camp Lejeune
MMC (SW) David C. Linja, USN,
USS PENSACOLA (LSD 38)
Bruce Linz, Mid-South
Wendy Linz, Mid-South

Brenda Mallery, Mississippi
Rita Jo Mathews, Hampton Roads
Alicia McCrary, Camp Lejeune
Diana Misiaszek, New Orleans
Daniel Mueller, Singapore
Dorothy Murphy, Portsmouth
Elizabeth O'Connor, Atsugi
Donna Olson, Cherry Point
Angela Parks, Spain
Anita Perrin, New River
Katie Potter, Camp Lejeune
Yvonne S. Potts, Great Lakes
Mercedes Rivera, Spain
John M. Sadler, Mid-South
Regina Lynn Smith, Sasebo
Wilma Springer, San Diego
Constance Wegmann, Parris Island
Penny Lou Williams, Patuxent River
Bernard Woodard, Hampton Roads
Anne Woods, Camp Lejeune

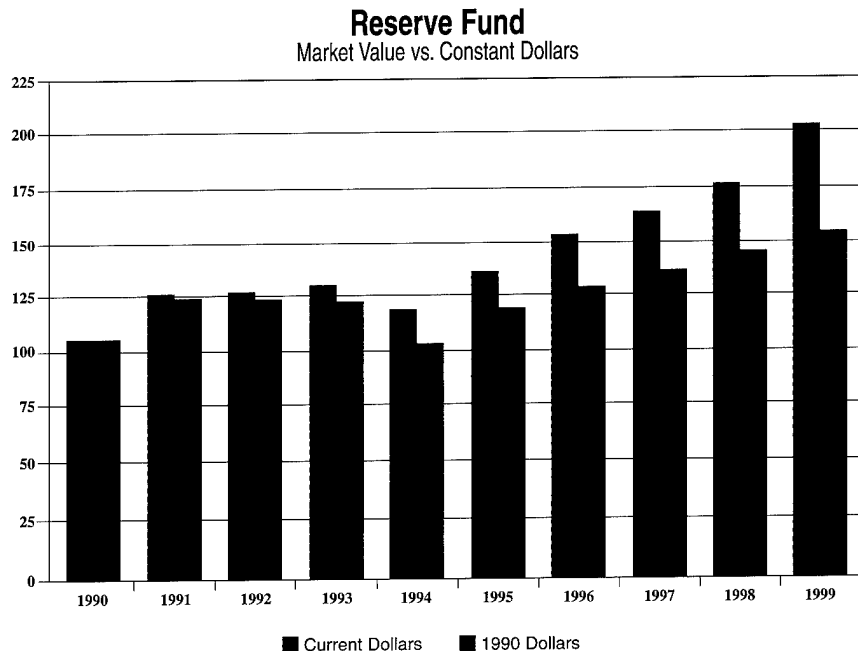
Report of the Finance Committee

The market value of the Society's investments, consisting of a Reserve Fund and several Restricted Funds, was \$206.5 million at year-end 1999 as compared to \$182.4 million at year-end 1998. The Reserve Fund totaled \$202.4 million and Restricted Funds totaled \$4.1 million.

The Finance Committee seeks to achieve a total return on the Society's Reserve Fund that will: (1) fund all administrative expenses; (2) fund all relief service expenses not covered by contributions and loan repayments; and (3) grow the remaining value of the Reserve Fund not less than the rate of inflation as measured by the Consumer Price Index (CPI). In 1999, the Society was again successful in achieving these objectives. The Reserve Fund's total return of 24.5% for the year placed the Society's Portfolio in the top one-third of the endowment universe that the Society uses to measure relative performance.

During the year, \$13.3 million was withdrawn from the Reserve Fund in the form of interest, dividends, and capital withdrawals. These funds were used to meet the administrative expenditures of \$8.6 million, with the remaining amount being used to augment funding of relief services.

The chart below displays the market value of the Reserve Fund at year-end for the period 1990-1999 compared with its value in constant 1990 dollars as deflated by the CPI for the 10-year period.



PETER C. CONRAD
Chairman, Finance Committee

Statement of Financial Position

As of December 31, 1999

ASSETS

Cash	\$763,991	
Receivables	3,554,755	
Investments	206,532,501	
Outstanding Loans	19,127,004	
Property and Equipment	<u>1,433,561</u>	
Total Assets		<u><u>\$231,411,812</u></u>

LIABILITIES AND NET ASSETS

Accounts Payable	2,235,611	
Net Assets (see Summary of Operations)	<u>229,176,201</u>	
Total Liabilities and Net Assets		<u><u>\$231,411,812</u></u>

Summary of Operations

For the One-Year Period Ending December 31, 1999

BEGINNING NET ASSETS \$208,338,785

REVENUES

Contributions	\$9,162,999
Investment Returns	39,155,970
Miscellaneous	<u>846,794</u>
Total Revenues	<u>\$49,165,763</u>

EXPENSES

Assistance (Financial and Programs)	\$17,969,163
Administrative (includes depreciation)	<u>10,359,184</u>
Total Expenses	<u>\$28,328,347</u>

CHANGE IN NET ASSETS \$20,837,416

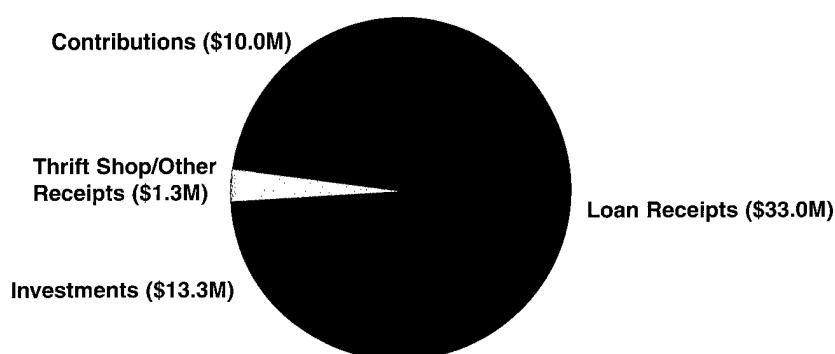
ENDING NET ASSETS \$229,176,201

Independent Audit: The Navy-Marine Corps Relief Society's Financial Statements for the year ended December 31, 1999 were audited by the independent auditors from the firm Murray, Jonson, White & Associates, LTD, Certified Public Accountants, of Falls Church, Virginia. Copies of the report have been provided to each member of the Society's Board of Directors and to the Executive Director of each NMCRS Auxiliary. Copies of the audit report are available by contacting the Vice President, Chief Financial Officer, Navy-Marine Corps Relief Society, 801 North Randolph Street, Suite 1228, Arlington, VA 22203-1978.

Source and Use of Funds

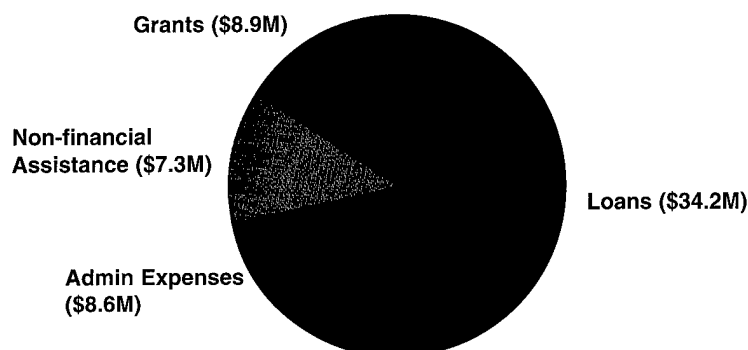
The Society had an inflow of \$57.6 million in 1999. The majority of that amount, \$33.0 million, came from the repayment of interest-free loans by the Society's clients. Interest, dividends, and cash withdrawals from the Society's Investment Portfolio provided \$13.3 million. Contributions totaled \$10.0 million, principally from the Active Duty and Retired Fund Drives, but also from bequests, memorials, and other types of contributions. Other receipts, from Restricted Funds and Thrift Shop operations, amounted to an additional \$1.3 million.

Source of Funds (\$57.6 million)



The Society used this inflow to conduct operations as shown below. The largest use was for making new interest-free loans. Loan receipts and new loans are essentially a "wash," and with the exception of loans that are later converted to grants and loans that are ultimately declared as uncorrectable, these funds act as a "revolving" fund. Administrative Expenses were covered, in their entirety, by funds provided from the Investment Portfolio. Grants and Non-Financial Assistance are funded principally by Contributions, and, to a lesser extent, by Other Receipts (including Thrift Shop profits) and withdrawals from the Society's Investments.

Use of Funds (\$59.0 million)



Financial Assistance and Contributions from Fund Drive

AUXILIARY	New Loans		New Grants		Total Loans and Grants		Reported Fund Drive
	No.	Amount	No.	Amount	No.	Amount	Amount
CAMP LEJEUNE	3,357	\$1,900,987	211	\$97,539	3,568	\$1,998,526	\$454,862
CAMP PENDLETON	2,714	1,916,797	265	78,311	2,979	1,995,109	386,151
CONNECTICUT	749	565,178	150	72,308	899	637,486	189,213
DISTRICT OF COLUMBIA	770	533,940	153	52,042	923	585,981	562,139
EL TORO (closed March 1999)	56	49,588	20	15,034	76	64,621	0
EVERETT	646	475,839	115	58,558	761	534,397	91,248
GEORGIA	1,193	775,283	134	64,388	1,327	839,671	236,746
GREAT LAKES	1,115	697,527	127	70,431	1,242	767,958	442,263
HAMPTON ROADS	7,146	4,782,197	1,022	522,710	8,168	5,304,907	1,304,179
HAWAII	1,383	1,075,369	185	80,511	1,568	1,155,879	445,572
HEADQUARTERS	3,419	2,808,398	2,036	1,002,501	5,455	3,810,899	985,311
(EDUCATION)	516	1,244,003	4,474	5,301,274	4,990	6,545,277	0
JACKSONVILLE	1,612	1,159,214	242	117,702	1,854	1,276,916	285,711
JAPAN	773	968,540	3	5,049	776	973,589	450,956
LEMOORE	809	568,863	87	53,473	896	622,336	120,628
LONDON	136	165,546	4	4,918	140	170,464	102,656
MARIANAS	177	173,872	1	3,182	178	177,054	75,670
MAYPORT	1,100	797,385	163	80,965	1,263	878,350	247,296
MIRAMAR	1,935	1,528,806	430	171,178	2,365	1,699,985	153,816
MISSISSIPPI	1,080	782,981	151	90,129	1,231	873,110	194,303
NAPLES	324	290,979	23	21,234	347	312,213	104,445
NEW ORLEANS	478	349,660	53	17,484	531	367,144	106,486
OKINAWA	668	721,132	13	4,786	681	725,918	372,685
PARRIS ISLAND	989	618,914	39	14,948	1,028	633,863	338,537
PENSACOLA	1,303	810,839	126	54,000	1,429	864,839	168,541
PORT HUENEME	681	539,788	92	32,063	773	571,851	89,462
PUERTO RICO	309	206,783	8	2,414	317	209,196	56,202
PUGET SOUND	927	681,340	160	67,832	1,087	749,173	212,189
QUANTICO	633	487,461	107	48,945	740	536,406	107,973
RHODE ISLAND	587	443,436	133	83,949	720	527,385	152,964
SAN DIEGO	4,417	3,475,444	895	382,358	5,312	3,857,802	980,096
SIGONELLA	348	260,086	12	1,848	360	261,934	112,998
SPAIN	170	132,932	14	4,694	184	137,626	42,662
TEXAS	1,091	817,323	159	84,462	1,250	901,786	181,498
TWENTYNINE PALMS	1,181	808,035	278	108,183	1,459	916,218	106,293
WHIDBEY ISLAND	882	544,322	95	30,436	977	\$574,758	\$140,319
TOTAL	45,674	\$34,158,788	12,180	\$8,901,838	57,854	\$43,060,626	\$10,002,070

Board of Directors

Co-Chairmen

Admiral Jay L. Johnson, USN
General James L. Jones, USMC

Members

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Mrs. Sue Dake
Rear Admiral Michael E. Finley, SC, USN
Master Chief Petty Officer of the Navy James L. Herdt, USN
Mrs. Sharon Herdt
Mrs. Marge Hernandez
Rear Admiral Byron Holderby, CHC, USN
Mrs. Barbara Holderby
Rear Admiral John D. Hutson, JAGC, USN
Admiral Jerome L. Johnson, USN (Ret.)
Lieutenant General Jack W. Klimp, USMC
Sergeant Major of the Marine Corps Alford L. McMichael, USMC
Vice Admiral Richard A. Nelson, MC, USN
Mrs. Pam Rempt
Vice Admiral Norbert R. Ryan, Jr., USN
General Joseph J. Went, USMC (Ret.)
Mrs. Barbara Williams

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President, Chief Executive Officer
Admiral Jerome L. Johnson, USN (Ret.)
Executive Vice President, Chief Operations Officer
Rear Admiral John R. Dalrymple, USN (Ret.)
Vice President, Chief Administrative Officer
Colonel G. K. Robinson, Jr., USMC (Ret.)
Vice President, Chief Financial Officer
Lieutenant Colonel George F. Warren, USMC (Ret.)

Our Guiding Principles:

- ***We are committed to providing quality service.***

We will meet our clients' emergency needs and, through quality services and programs, help them develop viable and lasting solutions to their problems. Our staff will apply the Society's policies on a consistent and compassionate basis. We will respond to emergent needs and changes.

- ***We value our clients. We will:***

- *provide a non-judgmental atmosphere that encourages our clients to achieve self-sufficiency;*
- *preserve their dignity and self-respect;*
- *maintain appropriate and effective communications with commands; and*
- *respect client confidentiality within published guidelines of the Society.*

- ***We are committed to good stewardship.***

We will be responsible stewards of the financial resources entrusted to us; we will exercise conscientious and diligent management of the Society's funds.

- ***We value our staff.***

We will provide our staff -- Volunteers and employees -- with the training, education, and other tools necessary to attain the highest levels of effectiveness and professionalism throughout the organization.

- ***We value volunteerism.***

We are committed to the principle of Volunteer Service; we will empower our Volunteers to administer the programs of the Society.

- ***We believe in personal financial responsibility.***

By helping clients develop their own problem-solving capabilities, the Society encourages personal financial responsibility; we recognize that the best solution is not necessarily direct financial assistance.



Navy-Marine Corps Relief Society
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Email: www.nmcra.org